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SENATE

REPORT
100-73

THE EDUCATION FOR A COMPETITIVE AMERICA ACT

JUNE 16, 1987.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 406]

The Committee on Labor and Human Resources, to which was referred the bill (S. 406) to provide additional Federal education programs designed to strengthen competitiveness of American industry, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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I. INTRODUCTION

The emergence of a global economy has placed us in a position where our Nation must contend with growing economic competition from abroad. Our national ability to address this crisis effectively is critically dependent on the ability and talent of our

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people. And in that regard, a long-term strategy to strengthen our competitive position in the international marketplace must begin with a strong agenda to develop and promote the productive abilities and energies of our citizenry.

The Education for a Competitive America Act is an investment in our future productivity and competitive capabilities. It reaffirms the common wisdom that education plays a central role in laying the groundwork for an energized economy. The need to strengthen our competitive ability calls for a more literate workforce. It calls for significant competence in mathematics and science. And it calls for greater facility in foreign languages and international understanding.

The Committee believes that the primary tools in our fight to remain competitive already exist in law. However, these need a unified national commitment for enhanced funding in order to be effective. With that in mind, S. 406 stakes out the areas in Federal education programs where substantial inceases would fortify our assault on this problem. It further provides for smaller, new initiatives in innovative areas which complement and enhance the effectiveness of existing programs to encourage state and local educational agencies to focus their efforts in these directions.

II. LEGISLATIVE CONSIDERATION AND VOTES IN COMMITTEE

S. 406 was introduced on January 28 by Senator Pell for himself and Senators Dodd and Simon. It was referred to the Subcommittee on Education, Arts and Humanities, which held a hearing on this legislation on March 23, 1987. The Subcommittee ordered the bill reported with an amendment to the Committee on Labor and Human Resources on May 1, 1987.

On May 6, 1987, the Committee met to consider S. 406 and agreed to two amendments. It met again to consider S. 406 on June 3, 1987 and reported it, with amendments by a vote of 14 ayes to 1 nay with one member not present.

The vote to report S. 406 to the Senate was recorded as follows:

AYES	NAY	NOT VOTING
Kennedy	Quayle	Humphrey
Pell		
Metzenbaum		
Matsunaga		
Dodd		
Simon		
Harkin		
Adams		
Mikulski		
Hatch		
Stafford		
Thurmond		
Weicker		
Cochran		

Amendments

The following amendments were acted upon by the Committee:

1. An amendment by Senator Pell to include the School Dropout Demonstration Assistance Act, S. 320 as reported out of Subcommittee on March 20. The amendment was agreed to without objection.

2. An amendment by Senator Pell to focus the increases in the Carl D. Perkins Vocational Education Act under Title VII of this legislation on high technology training. The amendment was agreed to without objection.

3. An amendment by Senator Kennedy to make numerous changes in S. 406 as reported by the Subcommittee, including the addition of star schools legislation, S. 778 as passed by the Senate on April 23, 1987, and a literacy title including a literacy corps, worksite literacy programs and technology education. The amendment was agreed to by a vote of 12 ayes to 3 nays with one member not present.

AYES	NAY	NOT VOTING
Kennedy	Hatch	Humphrey
Pell	Quayle	
Metzenbaum	Thurmond	
Matsunaga		
Dodd		
Simon		
Harkin		
Adams		
Mikulski		
Stafford		
Weicker		
Cochran		

III. RATIONALE

Improving America's competitive position in international trade is one of the major issues before the 100th Congress. A hearing held by the Senate Subcommittee on Education, Arts and Humanities focused attention on a broad range of topics, including the extent to which education is related to competitiveness, the contribution of education to economic productivity, the educational achievement of American school children compared with their peers in other nations, illiteracy, and the capacity of American workers to function in a technologically advanced workplace.

The Committee on Labor and Human Resources is reporting a bill that addresses these challenges through a two-pronged strategy: increased authorization levels for existing programs which relate to economic growth and competitiveness, and the creation of several new programs designed to address special needs and concerns that emerged in the Committee's deliberations. The bill reported by the Committee gives special attention to improving the educational achievement of American school children in mathe-

matics, science and foreign languages; disadvantaged youth and displaced workers; the educational needs of illiterate adults; and the increased use of technology in education.

Background

The end of this century and the beginning of the next will be marked by massive and continual economic change. Our Nation's future depends on our ability to understand and adapt to the demands of this changing economy. The initial and most significant change in this regard has already occurred. Our once-insulated economy has become an integral part of the international marketplace. The success of our industries is now measured by new criteria—the standards of international competition. Other industrial nations are capturing a growing share of U.S. markets, which is clear evidence that we are ill-equipped to meet the challenges posed by a global economy.

Our country should be second to none in its economic accomplishments and productivity. However, testimony before the Education Subcommittee indicated that U.S. manufacturing experienced a 3.5% increase in output per hours worked compared to Japan's increase of 9.5%, and West Germany's increase of 4.9%. As new technologies emerge and whole new industries are created, we must rely on a workforce that is able both to design new industries and to carry out the means of production.

The first step in a long-term strategy to regain our competitive edge must therefore be education. It is education which trains the finest minds to create new and better products. It is education which inculcates a basic competence in reasoning ability that will enable workers to master changing job demands quickly. And it is education which unleashes the productive ability of our citizens by pushing each person to the full level of his or her capabilities. In short, education is the Nation's best hope for continued economic growth and social progress.

The importance of education to employment and economic growth has been stressed in many of the recent reports calling for the reform of America's schools. For example, the Carnegie Foundation's Task Force Report on Education and the Economy noted that:

> America's ability to compete in world markets is eroding. The productivity growth of our competitors out-distances our own. The capability of our economy to provide a high standard of living for all our people is increasingly in doubt. As jobs requiring little skill are automated or go offshore and the demands increase for the highly skilled, the pool of educated and talented grows smaller and the backwater of the unemployable rises.
>
> Economic changes will affect the adult working population, who will be required to function in a world of work that will demand continuous training and retraining, constant adaptation to new conditions and new competition, and frequent and creative applications of new technologies to old products and services. When technological change or

shifting competition results in job elimination, workers will have to be retrained for new careers.

In the same vein, a 1987 report by the National Association of Manufacturers (NAM) emphasized that the quality of the U.S. labor force had suffered from inadequacies in the Nation's education system, high illiteracy rates, poor math and science training, large school dropout rates and insufficient training and relocation of displaced workers. The NAM report advocated that steps be taken to raise educational standards to ensure that all students master the basic skills necessary to function in a technological, highly competitive world.

The Education for a Competitive America Act stakes out those areas of education where increases in current programs or new authorizations will strengthen our competitive capabilities. Those key areas include mathematics, science and technology education, international education, basic skills instruction and literacy, and vocational education.

If competitiveness is the challenge, then we must begin with an examination of how education in this country compares with that of other industrial nations. We do not, in truth, compare very well. According to data compiled by the United National Educational Scientific and Cultural Organization (UNESCO), the United States is among the world's highest-ranking nations in the proportion of its population attending postsecondary educational institutions. However, these proportions refer to enrollment in education programs, not completion of them. A recent study by the U.S. Department of Education, for example, found that almost 90 percent of Japanese youth graduate from high school, compared to about 75 percent of American youth. This data indicates the critical importance of the Committee's decision to emphasize programs to assist disadvantaged secondary school students and to address the school dropout problem.

Mathematics and Science Instruction

International comparisons also reflect poorly on the United States with respect to mathematics and science instruction. Japanese high school students take more advanced math—including calculus—than most American college students. In fact, Japan graduates more engineers than the United States, even though its population is only half of ours. The average American high school student takes one year of geometry compared to the Soviet student's ten-year geometry curriculum. In a recent survey of experts on comparative education conducted by U.S. News & World Report, the United States ranked below Japan, the Soviet Union, West Germany, and France in both mathematics and science education.

Our standards in these areas fall short, and the need to upgrade instruction in these disciplines is acute. Only one-third of our high schools require more than one year of mathematics or science. An astounding forty percent of the teaching positions in mathematics are vacant or filled by unqualified teachers.

To address this situation, the Education for a Competitive America Act reauthorizes the Education for Economic Security Act through fiscal year 1993. This Act provides grants to state and

local educational agencies and state higher education agencies to upgrade instruction in mathematics, science, computer education and foreign languages. Current appropriations for this program are $80 million, far short of its authorization. The Committee believes that this program is seriously handicapped by inadequate funding, and strongly encourages a substantial increase in allocation.

In addition, S. 406 creates the Star Schools Program Assistance Act, which will improve a student's access to basic and advanced courses in mathematics, science and foreign languages through use of telecommunications.

Compensatory education

An effort to strengthen our international competitiveness must increase basic skills instruction at the high school level. Thirteen percent of all 17-year-olds have inadequate reading, writing and comprehension skills. Many school systems simply lack the resources to ensure that each student performs adequately on reading and mathematics tests as he or she proceeds through secondary school. Most of these students routinely graduate. They enter a job market ill-prepared and sorely lacking in basic skills. Industry eventually picks up this cost. In fact, it is estimated that business and industry spend roughly $25 billion each year to train personnel, the bulk of which is devoted to basic skills instruction.

The highly successful Chapter 1 program proves that compensatory education enables a student to make significant improvements in reading and computational ability. However, this critical program is only able to serve about 45% of the eligible students. In addition, most programs extend only to the fifth grade due to funding constraints.

To address this need, the Education for a Competitive America Act authorizes an additional $400 million for compensatory education programs specifically targeted to high school students. This critical investment will provide secondary school students with the basic skills necessary to enable them to perform their vocational duties competently and to adapt to changes in their work responsibilities resulting from changes in industries.

School dropouts

Efforts to strengthen our productivity must call upon the talents of all our citizens. In this regard, the school dropout situation is a serious problem. An annual dropout rate of 25% is a tremendous drain on our economy. It lays waste to our productive potential. Furthermore, it results in tremendous costs to society, the payment of which siphons funds away from investments in growth.

Each year's class of dropouts represents a monumental cost to this Nation in loss of productivity, ungenerated taxes, welfare and unemployment payments, and incarceration. The Committee believes that the failure to invest in programs which will keep students in school forces us to pay a price many times over in later years. The human cost of dropping out of school is staggering, but in the context of competitiveness, the most serious cost associated with dropping out is the lost productivity of these dropouts.

The Subcommittee on Education, Arts and Humanities reported out the School Dropout Demonstration Assistance Act, S. 320, earli-

er this year. Because the dropout situation must be addressed if we are to have a more productive workforce, the Committee included this legislation as part of S. 406.

Literacy

Illiteracy is another significant impediment to full productive capacity. Roughly 25 million Americans are functionally illiterate. Widespread illiteracy will restrict the Nation's economic growth. Most new jobs require, at a minimum, solid basic skills. Jobs which formerly required minimal reading ability now demand higher levels of literacy. If they are unable to meet the increased skills demanded by their jobs, workers may not be able to keep them.

In view of this, the Committee has made provision for three literacy initiatives in S. 406. The Literacy Corps Assistance Act is designed to provide grants to higher education institutions to encourage college students to volunteer as tutoring aides in the fight against illiteracy. The Workplace Literacy Assistance Program encourages business and educational institutions to provide workers with basic skills instruction. And the Technology Education Act provides literacy instruction in the area of technology and instruction in the application of this technology to vocational demands.

The Committee recognizes that the Adult Education Act currently serves about two-and-one-half million adults. The need, however, for this program is so great that many programs have waiting lists such that participation in the program would double overnight if funding were available. The Committee is concerned that the literacy initiatives authorized under S. 406 not result in a reduction in services under the Adult Education Act. The Committee therefore requires that before authorizations for these three programs become operative, the Adult Education Act must reach an appropriation level of $110 million to ensure that current service are maintained.

The Literacy Corps Assistance Act is authorized for a period of two years only. The other two programs have been given a one year authorization. This is because the committee is currently in the process of reauthorizing the Adult Education Act which expires at the end of fiscal year 1988. The Committee will examine all literacy proposals, including workplace literacy and technology education, in the context of this reauthorization.

Technology training

With respect to instruction provided through use of technology, the Committee believes that there is significant need to share information regarding computer software training programs developed by Federal agencies or by contract with Federal agencies.

The Department of Defense for example, has developed extensive computer software training programs to teach new recruits. These programs should be made available to users outside the Department of Defense, especially to educational institutions and vocational training programs. Creating the software for such systems is a high-cost, labor intensive task that can easily cost between $100,000 and $1,000,000 for a major system. Once the high initial public investment has been made, however, the program can often

be used in other settings, such as school systems, at minimal costs of conversion.

The Committee therefore believes that an inventory should be created of the software programs developed by the various agencies of the Federal government. This inventory would make lists of what has already been developed available to users in need of training programs. The committee believes that such an inventory, with wide dissemination, could be one of the most cost-effective methods for providing training programs for workers and students, in that it avoids costly duplication of efforts that are currently available.

The Committee therefore establishes as part of S. 406 an Office of Training Technology Transfer in the Department of Education. This office will compile and update a government-wide inventory of all existing training technology and distribute it as widely as possible to educational institutions, job training agencies, and related government and professional organizations.

International education

The Committee believes that one of the major contributing factors to our disadvantage in the international marketplace is our poor record in foreign language instruction and international studies. These two disciplines are critically important given that at least half of the top Fortune 500 companies are foreign controlled, and international activities produce a third of all U.S. corporate profits. English is no longer the universal language in trade negotiations.

Foreign language requirements in the schools have not kept pace with this change. Fewer than 3 percent of American high school graduates are proficient in a second language. More than 95 percent of Japanese students study English. Yet, less than 1 percent of our students study any Oriental language. Because so few Americans read Japanese, Japan's scientific discoveries often go unreported in the United States. Beyond foreign language mastery, few business graduates have the keen awareness of international cultural differences that can easily prove crucial in business negotiations.

The Committee believes that efforts to increase foreign language instruction in elementary and secondary schools will be of great benefit to business and industry. The committee has therefore made provision for a grant program to the States to facilitate the development and support of model and exemplary foreign language programs.

The Committee recognizes that excellence in modern business management must be coupled with excellence in foreign language proficiency and knowledge of other world cultures. To meet this need, S. 406 authorizes a small grant program to higher education institutions which emphasize both courses of study. The Committee believes that such a demonstration program will encourage institutions to make foreign language instruction and international studies an integral requirement of business study. Graduates of such a program will be on the cutting edge in international transactions.

Vocational education

Industry's demands on the workforce continually and rapidly change. No longer do employees perform the same job even while working at the same company. The more common pattern is that they perform new tasks as their company responds to changes in the economy. In short, when a company retools, when a company relocates, or when an industry shuts down, employees must upgrade their own skills if they are to continue to be employed. Testimony before the Subcommittee indicated that the average American worker will change jobs five times during the course of his life.

The wave of the future and the mark of new industries is high technology. As more and more of our companies move into high technology ventures, our workforce must have access to the training that will enable them to be an active part of this transition, and not an added statistic to the ranks of the unemployed.

In recognition of this need, the Committee has authorized additional appropriations in the Carl D. Perkins Vocational Education Act specifically targeted to enable workers to upgrade or obtain skills in high technology occupations. Because the Committee believes that the need for such training is particularly acute for older workers, priority will be given to those over age 55.

Educational partnerships in business

Finally, the Committee believes that our need to improve our competitiveness calls on business to devote its resources and talents to educational institutions in the community. The Committee has therefore authorized a demonstration grant program for educational partnerships which utilize the resources of the community to enhance the quality of instruction in our schools.

This program further requires the Secretary to evaluate the effectiveness of such partnership programs, with a particular emphasis on whether these programs have been successful in expanding the support for elementary and secondary education in the community or State.

IV. EXPLANATION OF LEGISLATION

S. 406, the Education for a Competitive America Act, is a free-standing legislative proposal. It is intended to be included as part of the omnibus trade legislation which includes initiatives of the other Senate Committees. It is designed to improve our economic competition in the global economy through a series of education initiatives in those areas which will directly improve the capabilities of our current and future workforce.

Statement of purpose

The purpose of this Act is to increase authorizations in several existing federal education programs and to authorize new federal education programs to strengthen the competitiveness of American industry.

Authorization of appropriations

S. 406 authorizes a total of $975 million for fiscal year 1988. For the succeeding fiscal years through fiscal year 1993, some titles are

authorized at "such sums as may be necessary" and other titles are authorized at specific levels. The following amounts are authorized for each fiscal year: $330 million and such sums for each fiscal year through fiscal year 1993 to carry out Title II of the Education for Economic Security Act; $20 million in fiscal year 1988 and such sums as may be necessary through fiscal year 1993 to carry out Title III of the Education for Economic Security Act; $100 million to carry out the Star Schools Program Assistance Act for the period beginning October 1, 1987 and ending September 30, 1992; $35 million for each of the fiscal years 1988 through 1993 for foreign language instruction in elementary and secondary schools; $1 million in fiscal year 1988 and such sums as may be necessary for each fiscal year through fiscal year 1993 for Presidential awards for exemplary language instructors; $400 million for the fiscal year 1988 for compensatory education for secondary school students; $20 million for each of the fiscal years 1988 through 1993 for educational partnership programs; $5 million in each fiscal year for the Training Technology Transfer Act; $10 million is available for fiscal year 1988 and for each of the fiscal years through 1991 for centers for international business education; up to $5 million for Ronald E. McNair scholarships so long as TRIO appropriations are equal to or greater than $176 million for each fiscal year 1988 through 1991; $15 million in additional authorization for Part C of Title III and $10 million in additional authorization for Title III Part E of the Carl D. Perkins Vocational Education Act for programs of adult training in high technology occupations for each of the fiscal years 1988 and 1989; $3 million for each fiscal year 1988 though 1993 for a national center for gifted and talented education; $50 million in fiscal year 1988 and such sums as may be necessary for fiscal years 1989 and 1990 for school dropout programs; $10 million for two fiscal years at such time as appropriations for the Adult Education Act equal or exceed $110 million for literacy corps programs; $4 million for fiscal year 1988 for worksite literacy programs so long as appropriations for the Adult Education Act equal or exceed $110 million; and $2 million in fiscal year 1988 for technology education programs so long as appropriations for the Adult Education Act equal or exceed $110 million.

Title I—Education for Economic Security Act

The Committee has reauthorized Title II of the Education for Economic Security Act at $330 million in fiscal year 1988 and such sums through fiscal year 1993. This title provides for a program of formula grants to state and local educational agencies and to state higher education agencies or their equivalents to upgrade instruction in mathematics, science, foreign languages and computer education, which is administered by the Department of Education. The Committee believes that this law should be reauthorized in its present form. This includes apportionment in the following manner: 70 percent of the State allotment is to be used by the state educational agency principally for the improvement and expansion of inservice training and retraining of existing teachers in elementary and secondary schools at the local educational agency level. The remaining 30 percent of the state allotment is to be used by the state agency for higher education for programs, principally op-

erated by institutions of higher education, for inservice training of elementary, secondary and vocational school teachers, training of mathematics and science teachers at the secondary level, and traineeships for prospective teachers who intend to specialize in teaching mathematics or science at the secondary level.

The Committee clearly intends to emphasize the importance of upgrading mathematics and science instruction to strengthen our trade position. In that regard, the most important provision of this section is the authorization level of $330 million. To meet this goal, the Committee believes that it is critically important that sufficient funds be appropriated for this program to ensure its impact on the quality of instruction in mathematics and science throughout the country. It is with this in mind that the Committee strongly recommends a full appropriation for this program of $330 million.

The reauthorization figure of $330 million is $20 million below its current authorization. The Committee believes it reasonable to make this change in the authorization level because current appropriations for this program are $80 million, which is far below the reauthorization figure under this Act. Furthermore, this reauthorization figure is for fiscal year 1988, and after that the program will be authorized at such sums as may be necessary to carry out the program.

In addition, Title I of S. 406 reauthorizes Title III of the Education for Economic Security Act, "Partnerships in Education for Mathematics, Science and Engineering" at an authorization level of $20 million for fiscal year 1988 and such sums as may be necessary to carry out the program for each subsequent fiscal year through 1993. This title authorizes a program of matching federal grants to local educational agencies, institutions of higher education and states which establish Partnerships in Education. Partnerships in Education will encourage cooperation among local and state officials, educators and industry leaders to improve the quality of mathematics, science and engineering education. Funding will be provided on a matching basis: the federal share shall be 50 percent, 30 percent shall be provided by business contributions, and 20 percent from any other non-federal sources.

The Committee believes that business and industry, higher education institutions, state and local educational agencies and other community agencies should work in concert to improve mathematics and science instruction. This title is designed to encourage and facilitate such partnerships.

Star schools

This program was considered by the Senate in the form of S. 778 with accompanying report 100-44, and was passed by the Senate by a vote of 77-16 on April 23, 1987. It is also being included in the trade bill because the Committee strongly believes that it is a vital component of our competitiveness package. The Committee intends that the material included in the report accompanying S. 778 also be operative in the context of this legislation.

Many of our nation's students currently do not have access to the training they need to succeed in the marketplace of the future, particularly in the areas of math, science, and foreign languages.

The Star Schools program would provide grants to telecommunications networks to provide instruction in these vital subject areas, especially to students who are not receiving such instruction.

The cost of our continued failure to provide this necessary instruction is enormous, both in terms of billions of dollars in trade revenue and in terms of the lost talents of a generation of our people which will never be regained. It is critical that steps be taken to rectify this deficiency. The Committee believes that this program is, therefore, a crucial component of a competitiveness package.

Title II

Part A—Foreign language assistance

This part, cited as the Foreign Language Assistance Act of 1987, makes available $35 million for each fiscal year 1988 through 1993 for model foreign language instruction programs at the elementary and secondary level. While foreign language instruction is a permissive activity under the Education for Economic Security Act, the Committee recognizes that ths subject area has not been given sufficient attention under the Education for Economic Security Act because the need to upgrade mathematics and science instruction has been so great.

Facility in the use of foreign languages is an important component of our ability to do business with other nations, and it is clear that such ability must be cultivated in the very early grades. This title therefore directs the Secretary of Education to make grants to the states to support model and demonstration foreign language programs. These programs are intended to be carried out by local educational agencies at the elementary and secondary level. In addition, the Committee directs that, should a local educational agency determine to do so, programs funded under this title shall allow the entire community to participate in such foreign language instruction.

Funds shall be distributed to each state on a per pupil basis except that no State shall receive less than an amount equal to one-half of 1 percent of the funds. One percent of funds available shall be reserved for payments to Guam, American Samoa and the Virgin Islands, the Trust Territory of the Pacific Island and the Commonwealth of the Northern Mariana Islands.

Part B—Presidential awards for languages

Presidential Awards for outstanding instruction in mathematics and science are currently carried out through the Education for Economic Security Act. The Committee recognizes that these awards have made a significant contribution to recognizing the talents and efforts of our country's math and science teachers. In so doing, they set standards of excellence for the profession and reward work well done.

The Committee believes that foreign language instruction is equally significant in our battle to remain competitive, and therefore establishes a similar program to make Presidential Awards for excellence in foreign language instruction. One million is authorized for this purpose for fiscal year 1988 and such sums for each

succeeding fiscal year through 1993. Under this title, the President is authorized to make awards to one outstanding elementary school teacher and one outstanding secondary school teacher from each State, the District of Columbia, and Puerto Rico for excellence in foreign language instruction.

Title III—Education for disadvantaged children

Part A—Secondary School Basic Skills Achievement Program

This Part calls for a new authorization of $400 million for compensatory education specifically targeted to Chapter 1 eligible students in secondary schools. While the Chapter 1 program has been successful in helping disadvantaged elementary school students achieve mastery of basic skills, funding for the program has not kept up with the increasing number of disadvantaged children needing assistance. Given the limited resources available to schools, remedial services have been targeted at disadvantaged students in grades 1 through 6. Relatively few Chapter 1 participants have been secondary school students.

The research indicates that remedial programs work most effectively in the early years. Therefore, it is appropriate to give elementary students priority in receiving Chapter 1 assistance. However, with the deficiency of literacy and quantitative skills among our high school students, we must begin to devote resources to help them acquire essential basic skills. There is a strong connection between proficiency in literacy and quantitative skills and employment opportunities. Research shows that persons with more proficient literacy skills achieve superior employment records, avoid prolonged unemployment and earn higher hourly wages than persons with weaker literacy skills. If we are going to give disadvantaged youngsters employment opportunities, then we must assist them in acquiring proficiency in basic skills.

This legislation would not divert any Chapter 1 funds from elementary schools. It would simply make additional funds available to meet the special needs of educationally disadvantaged secondary school students. Assistance would be targeted at local educational agencies with high concentrations of low income children.

Under this Part, each state shall receive a grant in proportion to their allocation under Chapter 1, and no state shall receive less than one-half of one percent of the amount appropriated for this Part. The state shall allocate funds to the local educational agencies in the same manner: on the basis of eligibility for and apportionment of funds under the Chapter 1 formula.

Secondary school students currently eligible for compensatory education services under Chapter 1, including private school students, are eligible for assistance under this Part in the same manner of service delivery as provided in Chapter 1.

There are many good ideas about how to improve basic skills of secondary school students. The Secondary School Basic Skills Improvement Act would support these innovative initiatives to meet the special needs of such students and to help them attain grade level proficiency in basic skills.

The Committee has authorized $400 million to carry out this Part for fiscal year 1988 only. The Committee has included this

provision as part of the Education for a Competitive America Act in recognition of the urgency of initiating such a program. However, in view of the fact that the Committee is currently in the process of reauthorizing the Education Consolidation and Improvement Act, we have authorized this program for one year only with the clear intent of revisiting the need to provide compensatory education services to secondary students during our reauthorization considerations.

Part B—Small State minimum

In recent years several federal education programs have been amended or have included provisions to ensure that states with small populations receive minimum allocations under federal law to ensure them an adequate level of funds to carry out these programs. These include the Chapter 2 program, the Carl D. Perkins Vocational Education Act, the Education for Economic Security Act, and the Adult Education Act. S. 406 extends this principle to Chapter 1 of the Education Consolidation and Improvement Act. Under the terms of this provision, when the combined appropriation for Chapter 1 and Chapter 3 reaches $4.2 billion, all States are ensured a minimum allotment of one-half of one percent of the basic grant appropriation. However, no state will receive an increase in excess of 25 percent above its fiscal year 1987 allocation as a result of this provision.

This provision has been included in the Education for a Competitive America Act because appropriations for Chapter 1 in fiscal year 1988 could be substantially higher than they were in 1987. Under this provision, the small state minimum will go into effect at the same time as there is a substantial increase in the program so that no state will lose money as a result of its enactment. Therefore, the Committee drafted this provision as an amendment to current law for fiscal year 1988 only, recognizing that an automatic one-year extension for the Chapter 1 program under the General Education Provisions Act will take effect.

The Committee is currently considering reauthorization of the Chapter 1 program, including the formula for distribution of funds. In that context, the Committee intends to take a complete and fresh look at the distribution of funds under Chapter 1 and will consider the full array of funding issues including a small state minimum.

Title IV—Educational partnerships

The purpose of this title is to encourage the creation and establishment of educational partnerships between public schools and the private sector. In this manner, such partnership will leverage the resources of the private profit-making and nonprofit sectors of the community to enhance the quality of education in our schools. The authorization level for this program is $20 million for each of the fiscal years 1988 through 1993. Under this title, the Secretary is authorized to make grants to educational partnership programs which include (1) one or more educational institutions, including a local educational agency, or an institution of higher education or both, and (2) a business concern, community based organization or

other nonprofit private organizations, museums, libraries, educational television and radio stations or State agencies.

The Committee intends to provide seed money for educational partnerships with a declining federal share so as to encourage such partnerships to develop and operate on their own in later years. In this manner, the federal share is 90 percent in the first year, 75 percent in the second year, 50 percent in the third year, and 33 and one-third percent in the fourth year.

The Committee intends that projects funded should have widespread geographic distribution so that such partnerships will be encouraged throughout the country. For this reason, we have included a provision that no state receive more than $1 million in grants in any fiscal year under this program. Projects funded under this title should capitalize on the abundance of existing resources in the community, including equipment and personnel.

In recognition of the fact that such partnerships can be of particular benefit to gifted and talented students, the Committee has included language that would reserve 25% of funds under this title for grants to partnerships which will serve this special population.

Because this is a demonstration project, and because the Federal government has limited experience in this area, the Committee has directed that an evaluation be made of the programs funded under this title, with particular note of how they may have improved or expanded the nature of support for elementary and secondary education in the community.

Title V—Training technology transfer

This title provides for the establishment of an Office of Training Technology Transfer in the Department of Education. This office is to act as the central broker in the transfer and sharing of technology training among all the arms of the Federal government and other interested parties. One of its primary functions shall be to compile, update, and distribute a government-wide inventory of all scheduled or existing training programs and instruction through a technology medium.

Such an inventory would make information on technology training materials developed under one federal agency available to all other federal agencies and the public. The Committee believes that such an inventory would be of great benefit to prospective users of technology training programs, in that it would offer them access to and knowledge of current training materials of this nature. Such knowledge could prevent unnecessary duplication of the high cost of development of such materials by making known to all interested parties a list of what has already been developed through the various federal agencies. This inventory shall include a complete description of the purpose, content, intended competency level, computer hardware compatability requirements and patent or copyright specifications of the program involved.

This title requires that the inventory be distributed as widely as possible to job training agencies, educational institutions and related government and professional organizations.

The basic thrust of the legislation is to promote the education of students and the training and retraining of the civilian workforce by sharing information regarding the wide range of training pro-

grams developed through federal agencies and the private sector. It makes further provision for the adaptation of this technology to the specific audience. Under this title, the director of the Office of Training Technology Transfer is authorized to enter into contracts with institutions of higher education and qualified private sector business concerns for the conversion and adaptation of the training technology to a form that will best provide instruction to the intended user.

In this manner, training technology developed by the Department of Defense to train new recruits could be converted for the purposes of basic skills instruction in school systems. The Committee believes that this could be one of the most cost effective means of producing new technology instruction for schools, and that such an office could provide an invaluable source of information to school systems and higher education institutions.

This title requires the Director of the Office of Training Technology to compile and maintain a current inventory of all knowledge and training technology developed by or under the supervision of Federal agencies. For this purpose, "knowledge" refers to any and all publications developed by or for a Federal agency pertaining to education and training software.

The legislation provides a plan to harness marketplace incentives to finance the public purposes of the legislation. The legislation therefore makes a statutory distinction between two categories of prospective users of government training technology: for-profit "commercial users", which would include all corporations and businesses, and non-profit "public interest users" which would include schools, colleges, vocational education facilities and all agencies of the Job Training Partnership Act.

Under this legislation, commercial users may acquire training technology through purchase on a cost-reimbursable basis. Public interest users may obtain training technology at no cost upon application to the Office of Technology Transfer. If a public interest user requires modification or conversion of a program, it can enter into a cooperative agreement with a commercial user to provide the conversion, and if the Office of Technology Transfer approves the agreement, the price or fee to the commercial user may be waived or reduced, or other terms beneficial to the commercial user may be negotiated. The Director may also, on his own initiative, enter into contracts to convert programs to the requirements of public interest users when there is a clear need to do so.

The Committee recognizes that in carrying out the distribution and inventory functions of this title, the expertise of both the National Technical Information Service and its associated Federal Software Exchange Center within the Department of Commerce should be utilized. This title therefore authorizes the Director of the Office of Training Technology Transfer to enter into contractual or cooperative agreements with the National Technical Information Service and the Federal Software Exchange Center for this purpose.

Title VI—Higher education

Part A—Centers for International Business Education

This title authorizes $10 million for each fiscal year 1988 through 1991 to create a new program under Title VI of the Higher Education Act—International Education—to provide grants to institutions of higher education which combine the disciplines of business and international education. These grants are designed to encourage higher education institutions, and primarily graduate schools, to offer international studies and language courses as an integral part of a business school program. The Committee believes that one of the reasons we are falling behind in the international marketplace is because of a lack of sophistication and awareness of international studies and foreign languages.

Grants under this title shall be awarded by the Secretary of Education on a competitive basis. Programs should provide instruction in critical foreign languages and international understanding, as well as teacher training for business techniques which emphasize international awareness. Programs funded under this title should also serve as resources for businesses in the community in which a center is located, and offer international training programs for personnel.

Each center shall be awarded a grant for three years. It is the intent of the Committee that such awards serve as seed money to enable and encourage institutions to establish such centers. The Federal share for these centers thus declines over the three year grant to encourage the institutions to continue to operate these centers on their own in the absence of federal funds. The federal share shall be 90 percent in the first year, 70 percent in the second year and 50 percent in the third year.

Part B—Ronald E. McNair Post-Baccalaureate Achievement Program

This provision enables the Secretary to provide up to $5 million for Ronald E. McNair Scholarships. The Committee believes that graduate scholarships for minority students will significantly increase the talent pool of minority professionals in the natural sciences, mathematics and technological fields as professors, scientists and scholars. Under current law, the Secretary is authorized to reserve $1 million in fiscal year 1988 for this purpose if funds for TRIO equal or exceed $168.8 million. This amount increases by $1 million in each fiscal year through fiscal year 1991.

Recongnizing the significant benefit of these scholarships to minority students, the Committee agreed to increase the amount which may be reserved for these scholarships to $5 million in each year. However, this provision is not intended to cut current services under the TRIO program. Therefore, this provision will not go into effect until such time as appropriations for the TRIO program equal or exceed $176 million which is the fiscal year 1987 appropriations level. Amounts reserved for the Ronald E. McNair Scholarships may therefore be up to $5 million of amounts appropriated above $176 million.

Title VII—Vocational education

This title provides additional authorizations under the Carl D. Perkins Vocational Education Act for training and retraining programs in high technology occupations. It provides an additional $15 million for Part C of Title III (Adult Training, Retraining and Employmemt Development), and an additional $10 million for Part E of Title III, (Industry-Education Partnerships for Training in High Techonology Occupations).

Programs under this title will focus on high technology training for workers who are adversely affected by changes in industries due to foreign competition including plant closings. Programs shall provide training, retraining or employment services that will enable participants to obtain, retain or upgrade employment in high technology industries.

This title is intended to complement provisions for dislocated workers under S. 538, the Economic Dislocation and Worker Adjustment Assistance Act. Under that Act, dislocated workers would be eligible to receive training and retraining services. Vocational programs funded under this title would ensure that services that dislocated workers receive under S. 538 would be of the highest quality and would stress training in high technology occupations.

Priority under this title shall be placed upon serving the older workers, 55 years old and above.

Title VIII—National Center for Research and Development in the Education of Gifted and Talented Children and Youth

The Committee believes that far too little is known about the education of our gifted and talented children. To address this deficiency, $3 million is authorized to establish a national center for research and development in the education of gifted and talented children and youth. The Center will conduct a full array of research on and technical assistance for gifted and talented children, including procedures for identifying such children and the best methods for traning teachers in the instruction of these students. The national center may be carried out by contracts with one or more institutions of higher education, or state educational agencies, or consortia.

Title IX—School Dropout Demonstration Assistance Act of 1987

In providing measures to improve our competitiveness we cannot ignore the fact that well over 25% of our students drop out of school. Without adequate skills, these young adults cannot be part of a competitive workforce, not will they have the ability to adapt to the changing needs of the economy.

This title authorizes a demonstration grant program to fund projects which address the school dropout problem. Under this title, $50 million is authorized for fiscal year 1988 and such sums as may be necessary are authorized for fiscal years 1989 and 1990.

The Committee intends that grants under this title shall be awarded to successful projects which either seek to prevent students from dropping out or to encourage students who have left to reenter school and graduate. The Committee believes we do not have adequate information on the extent of this problem or the

best methods for addressing it. Therefore, we have authorized a demonstration program, which provides maximum flexibility so that the most innovative and successful programs may be funded, identified and evaluated.

Priority will be awarded to applications which seek to expand a successful model within a school district or to adapt a successful approach for implementation in another shool district. In addition, priority grants shall be awarded to applications which reflect very high numbers or high percentages of school dropouts.

The Committee recognizes that States have different ways to define and count their school dropouts. Under such widely varying definitions, it is not possible to compare accurately the degree of need among states. In light of this situation, this legislation requires the Secretary to provide a standard national definition of a school dropout. This definition may be drawn in consultation with appropriate groups, and must be published no later than six months after enactment of this legislation. Applicants for assistance under this title must document their school dropout problem according to the Secretary's standard definition.

The Committee believes that one of the most effective measures for preventing students from dropping out of school is to provide sound early intervention programs which identify at-risk students. Special consideration therefore, shall also be given to early intervention proposals. In addition, the Committee believes that proposals which include parental involvement should be given special consideration.

Grant awards

Grants are awarded under four categories of assistance: 45% is reserved for local educational agencies with school enrollments of more than 50,000; 15% is reserved for LEAs with enrollments of 20,000 to 50,000; 35% is reserved for LEAs with enrollments of less than 20,000; and 5% shall be reserved for community based organizations in consultation with local educational agencies. Within each of the first three categories, 25% is reserved for educational partnership programs. These partnerships shall include three partners: 1. a local educational agency, 2. a business or community-based organization, and 3. one or more of the following: a nonprofit private organization, an institution of higher education, a state educational agency, a state and local public agency, a private industry council, a museum, a library or educational television or broadcasting station, or a community-based organization.

Under the 35% reserved for local educational agencies with enrollments of less than 20,000, a consortia of LEAs may apply for a grant. This consortia may include the State educational agency as well. For the purposes of eligibility in applying for assistance under this category, the largest LEA in the consortia must have an enrollment of less than 20,000. It does not require that the combined enrollments of all LEAs in the consortia total less than 20,000.

If insufficient numbers of applications are made in any category of assistance, the Secretary may award the remaining funds to local educational agencies in another category. Should the Secretary shift funds under this provision, assurances must be provided that this transfer is made to a category in which there is the great-

est need for funds. In addition, the Secretary is directed to make information available to applicants and other parties upon request as to why categories were not fully funded.

The Committee believes that assistance under this title shall serve to encourage state and local educational agencies to operate these programs in the absence of federal assistance. The federal share of the grant therefore declines over the three year period of the grant: 90 percent in the first year, 70 percent in the second, and 50 percent in the third. The match may be paid from any other source, except that no more than 10% of the match may be from federal sources outside this Act.

While the Committee strongly encourages the Secretary to award grants to three year projects, it recognizes that some projects may seek assistance for one or two years. Grants may be awarded to these projects as well. In awarding a grant, however, the Secretary shall make grants for the full period for which the applicant seeks assistance.

The Committee recognizes that the school dropout problem must be attacked on two fronts: both from the perspective of prevention, and from the need to encourage those who have left to reenter school and graduate. The Secretary is therefore required to provide at least 30% of the funds for prevention programs and at least 30% for programs which persuade dropouts to return to school and complete their education.

It is important that to the extent practicable, projects should coordinate with other school dropout efforts in the community, with job placement programs, and other agencies which provide services for these students.

The Committee would like to call attention to two projects which address the dropout problem. They are Project Y.O.U. in Texas and the National Dropout Prevention Center at Clemson University in South Carolina. Project Y.O.U. (Youth Opportunities Unlimited) provides at-risk youth with a residential university-based education through an eight week summer program. This project is operated by the Coordinating Board of the Texas College and University System in coordination with the Texas Education Agency.

The National Center in South Carolina includes:

1. A clearinghouse for information on dropouts, which includes abstracts, bibliographic references and statistical data available through computer network and in print.
2. A directory of key contact persons in agencies, organizations, school systems and associations dealing with the dropout problem.
3. A consulting, intervention, and assistance network composed of experts throughout the country.
4. Conferences and programs for sharing information, discussing trends, identifying research needs and developing policy recommendations.
5. Sponsorships and support of coordinated research efforts and assistance in locating funds.
6. Regularly scheduled publications such as journals, summaries of research studies and reviews of programs.
7. An "800" referral telephone line for individuals and groups needing assistance or information about dropout issues.

The Committee is pleased to inform those involved in solving the dropout program of the effectiveness of the Center.

This title makes provision for a national school dropout study. This provision directs that $500,000 be provided in the third year of the program to evaluate programs funded through this title. It further requires that such a study identify the most successful methods for addressing the dropout problem, that it provide more accurate documentation of the magnitude of this problem, and the factors associated with dropping out of school.

It is not the intent of the Committee to use education funds authorized under this Act for health services. Such services are funded through various federal, state and local health programs, and it is not the intent of the Committee either to duplicate or to supplement such funding through this Act.

Title X—Literacy assistance

Part A—Literacy Corps

The Literacy Corps Assistance part would provide grants to institutions of higher education to establish Literacy Corps programs on their campuses. This initiative is modeled after literacy tutoring programs run under the Washington Education Project. Similar to the manner in which the program has been carried out to date, it is intended that within each participating institution, the Literacy Corps be established within one or more academic departments. It is intended that such a department offer a seminar in which the theories of the academic discipline are taught, and which include as part of the course requirements that students perform 60 hours of literacy tutoring during the course of the semester in community agencies which have instructional programs in place. These may include entities such as schools, Head Start center, prisons, agencies serving youth, handicapped, disabled veterans, after-school classroom programs and others.

Part A of Title X of this legislation establishes a Literacy Corps. Section 1003 states that the Secretary of Education is authorized to award grants to institutions of higher education for up to two years. While it is not required that grants be for any specific period of time, the existing program on which this initiative is based provided "start-up" grants to institutions of higher education for two-year periods to help offset administrative costs resulting from establishing a new program. At the end of two years, the program would continue to run without further federal contribution and such costs would be offset by the tuition received by the institution from students taking the course.

Section 1004 limits grants to a maximum of $50,000 with no more than $25,000 to be expended in any one year. The model on which this program is based provided $25,000 in total over the course of a two-year grant. However, if an applicant can show that a program to be operated at the campus will be of sufficient size and scope to warrant a grant of up to $25,000 per year for each of two years, such a grant is allowable.

Section 1005 describes what shall be contained in the application. The list of academic departments in which the course may be offered is not intended to be exhaustive. In addition to those listed,

Departments of Psychology, Humanities and others are also permissible departments in which to establish a Literacy Corps.

The requirement that students perform 6 hours of literacy tutoring per week is based on an average ten-week semester, for a total of 60 hours. Institutions with different length semesters may want to alter the weekly requirement to reach the same total. For example, a college with 15-week semesters may require students to tutor 4 hours per week for a total of 60 hours.

This section also requires that volunteers work under the supervision of qualified personnel. This language reflects the Committee's intent that literacy volunteers be provided with necessary training to provide tutoring services. The Committee's intention is to complement ongoing efforts to improve the literacy of all our citizens, and the student tutors should be used as a supplemental source, not to in any way disrupt or impede the longterm work in which professional educators are engaged.

Applicants are required to demonstrate that they have participated in community service activities prior to applying for this grant through utilization of either the community service learning set-aside of the college work-study program or through a cooperative education program. The reason for this requirement is twofold. First, the Committee wants to ensure that the recipients of funds under this program have sufficient experience and facility with community outreach efforts to ensure that the funds received under this grant will be used effectively. Second, the Committee wants to ensure that federal funds provided for community service efforts, such as those in the college work-study program, are being used. If an applicant cannot meet this requirement, however, it may, as part of its initial application, also apply for a waiver of the requirement. Such a waiver may be granted to an institution which provides assurances, either that it has engaged in another type of community outreach program, or that its failure to do so will not impede its ability to do so under this grant, and in either case, that it will use a portion of its allotment under the college-workstudy program for community service learning in the future.

Section 1006 provides that the Department may provide technical assistance to grant recipients, information collection and dissemination, and evaluation and reporting, directly or by contract. It is strongly encouraged that the Department take advantage of any available experience and expertise in the implementation of Literacy Corps programs around the country.

Section 1007 authorizes $10 million to be appropriated in fiscal year 1988, and for any fiscal year thereafter, for a maximum of two fiscal years. However, section 1051 restricts funds from being appropriated for any fiscal year unless the appropriation for the Adult Education Act for that year equals or exceeds $110 million. This condition is included because the Committee wants to ensure that funds are not shifted from the Adult Education Act programs to fund this new initiative. It has therefore established a trigger of $110 million in appropriations for the Adult Education Act, approximately a 4 percent increase over the current appropriation of $106 million, which must be met in order for this program to be funded. These sections taken together are intended to provide that

funds are authorized to be appropriated in the first two fiscal years in which the threshold of $110 million is met.

Given this restriction, it is conceivable that an appropriation would be authorized for this program in one year but not in the next consecutive fiscal year, if the appropriation level for the Adult Education Act in the next year were to fall below the $110 million threshold. In this event, an appropriation would be authorized for the second year of the program in the next year in which the appropriation for the Adult Education Act equals or exceeds $110 million.

It is therefore intended that awards to grantees be made in each year of appropriation, even if such award are to be expended by the grantee over two years. This is to avoid the disruption that would be caused to a grantee if it were receiving single-year allocations and the second year of appropriation were not the year directly following the first such year. Therefore, only half of the total grants will be awarded in the first year in which an appropriation is authorized. A second cohort of applicants would then be awarded grants of up to two years in the second year in which an appropriation is authorized. This second cohort of awards should be made on the basis of a second competition.

Section 1008 contains definitions. The list of entities contained in the definition of "public community agency" is not intended to be exhaustive. In addition to those listed, an after-school program at a library or elsewhere as well as other entities may be used as placement sites for tutors as long as an established program of instruction exists therein, and the other requirements contained herein are met.

Part B—Workplace literacy assistance

This part amends the Adult Education Act to provide a small demonstration grant program to fund partnership programs in workplace literacy. The Committee recognizes that changing needs in industries often require workers to change their functions within the workplace. Often these workers lack adequate basic skills necessary to assist them in learning these new tasks. Failure to adapt may result in their loss of employment. The Committee believes that basic skills assistance in the workplace would provide the least disruption to the workers' job responsibilities.

In view of this, under this part the Secretary is authorized to make demonstration grants to education partnerships for workplace literacy. These partnerships must include a business, industry, labor organization or private industry council, and a state educational agency, local educational agency, an institution of higher education, or schools. Demonstration grants under this part are designed to encourage businesses and educational institutions to work together to provide the necessary education that will enable workers to improve their competency and upgrade their skills.

While this is a very important program, the Committee does not intend that appropriations for this Part shall result in a reduction in current services provided under the Adult Education Act. Therefore, the authorization for this program will go into effect only at such time that appropriations for the Adult Education Act equal or exceed $110 million. This would allow for an inflationary increase

of roughly 4% above Adult Education appropriations for fiscal year 1987.

The Committee has authorized this program for fiscal year 1988. The Adult Education Act expires on September 30, 1988. The Committee is currently in the process of reauthorizing the Adult Education Act, and will reconsider these provisions as part of that reauthorization.

Part C—Instructional programs in technology education

The Committee recognizes that technology literacy is a central element of our strategy to create a more literate workforce. Under this Part, the Secretary of Education is authorized to fund up to ten demonstration projects in technology education for secondary schools. Projects under this part shall develop model programs in technology education including a fundamental knowledge of technology and its applications to current systems. These would include communication, construction, manufacturing, and transportation.

The Secretary is directed to disseminate information regarding the programs so that programs developed under this part may serve to assist other schools in developing projects and in teacher training.

Again, as the major function of this Part is literacy, the Committee is concerned that funding for this program not be at the expense of current services provided under the Adult Education Act. The authorization for this program of $2 million for fiscal year 1988 will not go into effect until such time as appropriations for the Adult Education Act equal or exceed $110 million. This would allow for an inflationary increase above current appropriations for this Act.

The Committee has provided a one year authorization for this program in fiscal year 1988. The Adult Education Act will expire on September 30, 1988. The committee is currently working on reauthorization of this Act, and will consider provisions under this Part in its reauthorization work.

V. REGULATORY IMPACT STATEMENT

The Committee has determined that there will be minimal increases in the regulatory burden imposed by this bill.

VI. COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 11, 1987.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached estimate of the costs of S. 406, the Education for a Competitive America Act. The bill was ordered reported by the Senate Committee on Labor and Human Resources on June 3, 1987.

If you wish further details on this estimate, we would be pleased to provide them.

With the best wishes,

Sincerely,

JAMES BLUM

(For Edward M. Gramlich, Acting Director).

Congressional budget office, cost estimates

1. Bill number: S. 406.

2. Bill title: Education for a Competitive America Act.

3. Bill status: As ordered reported from the Senate Labor and Human Resources Committee June 3, 1987.

4. Bill purpose: The primary purpose of this bill is to amend and extend through 1993 the authorization for appropriations for certain programs under the Education for Economic Security Act and to establish several new programs designed to strengthen competitiveness of American industry. This bill is subject to subsequent appropriations action.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1988	1989	1990	1991	1992	1993
Estimated authorization level:						
Mathematics and science education:						
Estimated authorization	-20	348	368	389	410	432
Estimated outlays	-2	21	133	358	378	399
Partnership in education:						
Estimated authorization	-30	21	22	24	25	26
Estimated outlays	-2	-18	7	22	23	25
Star Schools Program:						
Estimated authorization	60	40				
Estimated outlays	7	32	31	21	9	
Foreign language assistance:						
Estimated authorization	35	35	35	35	35	35
Estimated outlays	3	25	35	35	35	35
Presidential awards for teaching excellence in foreign languages:						
Estimated authorization	1	1	1	1	1	1
Estimated	(*)	1	1	1	1	1
Secondary school program:						
Estimated authorization	400					
Estimated outlays	32	256	112			
Educational Partnership Act:						
Estimated authorization	20	20	20	20	20	20
Estimated outlays	2	14	20	20	20	20
Training technology transfer:						
Estimated authorization	5	5	6	6	6	7
Estimated outlays	4	5	6	6	6	7
Centers for International Business:						
Estimated authorization	10	10	10	10		
Estimated outlays	1	10	10	10	9	(*)
Adult Retraining Program:						
Estimated authorization	15	15				
Estimated outlays	(*)	12	15	3		
Industry-education partnership:						
Estimated authorization	10	10				
Estimated outlays		(*)D8	10	2		
National Center for Gifted and Talented:						
Estimated authorization	3	3	3	3	3	3
Estimated outlays	2	3	3	3	3	3
School dropout demonstration assistance:						
Estimated authorization	50	53	56			

[By fiscal year, in millions of dollars]

	1988	1989	1990	1991	1992	1993
Estimated outlays	4	36	52	52	16	
Literacy Corps:						
Estimated authorization	10	10				
Estimated outlays	(*)	8	10	2		
Workplace literacy:						
Estimated authorization	4					
Estimated outlays	(*)	3	1			
Instructional programs in technology:						
Estimated authorization	2					
Estimated outlays	(*)	1	1			
Total estimated authorization level	575	571	521	488	500	524
Total estimated outlays	51	417	447	534	500	491

The cost of this bill falls in Function 500.

Basis of estimate.—The cost estimate for S. 406, the Education for a Competitive America Act, reflects the new and extended authorizations for two programs under the Education for Economic and Security Act, the mathematics and science education program and the partnership in education program, as well as the authorizations for several new programs. It is assumed that the authorization levels are fully funded. Estimated total outlays for existing programs reflect current spending patterns. Most of the grants programs authorized in this bill would be appropriated on a forward funding basis, thus the estimated outlays are low in the first year. For new programs, estimated total otulays reflect the spending patterns of similar grant programs.

Most of the program authorization levels in this cost estimate are those stated in the bill. The grants for mathematics and science and partnership in education grants are authorized through 1988 under current law. S. 406 sets new authorized levels for 1988, therefore, the 1988 authorization levels shown in the table reflect the difference between the current and new levels. These programs are authorized at such sums through 1933. The outyear levels reflect the latest stated level adjusted for projected inflation. The authorization levels for the Presidential awards, the training technology transfer program, and the school dropout demonstration assistance are specifically stated in the bill for 1988. The first two programs are authorized at such sums through 1933, the later program is authorized at such sums through 1990. The outyear estimates for these programs reflect the 1988 stated level adjusted for projected inflation.

S. 406 authorizes a total of $100 million in grants for the Star Schools program for 1988 through 1992. The grant recipients would be charged with developing and operating educational telecommunications networks. The bill limits appropriations in any one year to $60 million, but does not specify the timing of funding over the five years. For the purposes of this cost estimate, CBO assumes maximum funding in 1988, with the remainder to be funded in 1989. However, other funding patterns over the five years are possible. The literacy corps are authorized for two years only, 1988 and one other fiscal year. For the purpose of this estimate CBO assumes that the second year of authorization is 1989.

6. Estimated cost of state and local government: Grants for mathematics and science, secondary schools, adult retraining, and industry-education partners programs are all formula grants to states with no matching fund requrements. With the exception of the technology transfer program, the Presidential awards, and the star schools program; the remaining funds are competitive grants for which state and local governments may apply. Almost all of these grants have some federal funds matching requirement.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deborah Kalcevic (226–2820).

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

VII. SECTION-BY-SECTION ANALYSIS

Education for a Competitive America Act: Section-by-Section Analysis of S. 406, as Reported by the Committee on Labor and Human Resources.

Short Title (sec. 1)

The Act is entitled the "Education for a Competitive America Act".

Title I—Education for Economic Security Act

This title amends the Education for Economic Security Act by extending the authorization for title II (mathematics and science education programs) and for title III (mathematics, science, and engineering partnerships), and by authorizing a new title IX (for a "Star School Program Assistance Act)".

Short title (sec. 101)

Title I of the Act is entitled the "Education for Economic Security Reauthorization Act".

Mathematics and science education reauthorized (sec. 102)

Title II of the Education for Economic Security Act is amended by extending the authorization of appropriations through FY 1933, with $330 million authorized for FY 1988, and such sums as may be necessary for FY 1989 through FY 1933.

Partnerships in education for mathematics, science, and engineering (sec. 103)

Title III of the Education for Economic Security Act is amended by extending the authorization of appropriations through FY 1993, with $20 million authorized for FY 1988, and such sums as may be necessary for FY 1989 through FY 1993.

Star Schools Programs authorized (sec. 104)

This section amends the Education for Economic Security Act by adding a new Title IX, authorizing the Star Schools Program. The following descriptions are of the sections of the new title:

Short title (sec. 901)

The new title IX of the Education for Economic Security Act is entitled the "Star Schools Program Assistance Act."

Statement of purpose (sec. 902)

The purpose of the Star Schools Program is to encourage the improvement of mathematics, science, and foreign language instruction through demonstration grants to telecommunications partnerships.

Program authorized (sec. 903)

Grants are to be made to eligible telecommunications partnerships for developing, constructing, and acquiring telecommunications facilities and equipment. This section also provides the funding authority—$100 million over the 5 year period begining October 1, 1987 and ending September 30, 1992. It establishes an annual appropriation limit of $60 million, and annual limit for any individual grant of $20 million. In addition, at least 50 percent of the funds annually available is to be spent for facilities, equipment, teacher training or retraining, technical assistance, or programming by local educational agencies eligible for Federal compensatory education assistance (Title I of the Elementary and Secondary Education Act of 1965, as modified by Chapter 1 of the Education Consolidation and Improvement Act of 1981).

Eligible telecommunications partnerships (sec. 904)

Partnerships are defined. This section also specifies that an eligible telecommunications partnership must be organized on a statewide or multistate basis.

Applications (sec. 905)

The contents of applications are described, as well as the priorities which the Secretary of Education is to follow in selecting applications. Among other things, applications must describe the facilities, equipment, and activities for which funding is sought. Such facilities and equipment may include microwave, fiber optics, cable, and satellite transmission equipment. Activities may include development and implementation of telecommunications networks, training of school teachers, and development of educational programming. In addition, the Secretary is to give priority to applications that demonstrate that the proposed activities will provide significant new opportunities to participants, particularly traditionally underserved students and areas; that network planning has the cooperation of public and private educational institutions, State and local government, and industry; that the partnership will serve the broadest range of institutions; that a significant number of educational institutions will participate; that the partnership will have substantial academic and teaching capabilities; that the partnership will serve a multistate area; and that the partnership will meet the needs of groups traditionally excluded from math and science careers. An equitable geographic distribution is to be assured.

Dissemination of courses and materials under the Star Schools Program (sec. 906)

Each recipient must report, and the Secretary must compile and disseminate to all State educational agencies, information on satellite transmissions of curriculum by recipients.

Evaluation (sec. 907)

The Office of Technology Assessment is to perform, upon request, an evaluation of use of telecommunications systems supported by Star Schools grants.

Study of feasibility of an educational satellite (sec. 908)

The Office of Technology Assessment may conduct, upon request, a study of the feasibility of designing, building, and launching an educational satellite.

Definitions (sec. 909)

Selected terms used in this title are defined.

Title II—Foreign language assistance

This title authorizes two foreign language assistance programs, one for formula grants to the States for model programs, the other for Presidential awards for teaching excellence.

Title II, Part A—Foreign language assistance

This part authorizes formula grants to the States to support model local foreign language programs.

Short title (sec. 201)

Title II, Part A is entitled the "Foreign Language Assistance Act of 1987".

Findings (sec. 202)

The Congress finds that improvement in elementary and secondary foreign language instruction is necessary to further the economic and security interests of the United States.

Program authorized (sec. 203)

The Secretary of Education is authorized to make grants to State education agencies for model local programs of foreign language education for elementary and secondary school pupils and, at local discretion, other residents of the locality. The model projects are to be developed by local educational agencies (LEAs), are to be selected for assistance on a competitive basis, and are to include evaluations of the foreign language proficiency of participants. The Federal share of the costs of such projects is 50 percent.

States and LEAs receiving aid under this program are reqiured to provide equitable services to pupils attending non-public schools. In cases where such services are not provided, the Secretary of Education shall provide services via a by-pass arrangement, similar to that under chapter 1, Education Consolidation and Improvement Act.

Allotment (sec. 204)

Funds are to be allocated to the States in proportion to each State's population aged 5-17 years (after 1 percent is reserved for grants to the Outlying Areas). However, no State is to receive less than 0.5 percent of grants to the States.

Definitions (sec. 205)

Selected terms used in this part are defined.

Authorization of appropriations (sec.206)

The authorization of appropriations is $35 million annually for FY 1988 through FY 1993.

Title II, Part B—Presidential award for languages

This part authorizes Presidential awards for teaching excellence in foreign languages.

Presidential awards (sec. 221)

The President is authorized to make 104 annual Presidential Awards for Teaching Excellence in Foreign Languages. Such awards are to be made to one elementary and one secondary school teacher in each State plus the District of Columbia and Puerto Rico.

Administrative provisions (sec. 222)

In carrying out this program, the President is to consult with the Secretary of Education, relevant officials of other Federal agencies, plus foreign language teacher associations.

Authorization of appropriations (sec. 223)

The authorization of appropriations is $1 million for FY 1988 and such sums as may be necessary for FY 1989 through FY 1993.

Title III—Education for disadvantaged children

This title authorizes a new program for the education of disadvantaged secondary school students, and amends the allocation formula in the existing program of education for disadvantaged children.

Title III, Part A—Secondary school basic skills achievement program

This part authorizes a new program for the education of disadvantaged secondary school students.

Short title (sec. 301)

Title III, Part A is entitled the "Secondary School Basic Schools Improvement Act of 1987".

Program authorized (sec. 302)

This part adds a new chapter 3 to the Education Consolidation and Improvement Act (ECIA). Under chapter 1 of the ECIA, local eductional agencies (LEAs) are authorized to provide compensatory education and related services to educationally disadvantaged

pupils in preschool, elementary, and secondary educational programs. However, a substantial majority of the pupils served under chapter 1 attend elementary schools. This new chapter 3 authorizes additional assistance specifically for educationally disadvantaged pupils attending secondary schools.

Funds are to be allocated to States in proportion to grants under the program of basic grants to LEAs under chapter 1 of the ECIA, except that no State would receive less than 0.5 percent of the total appropriation. States may reserve up to 5 percent of their grants for administrative costs, and remaining funds will be awarded to LEAs that have the greatest numbers of poor or low-achieving children, are representative of rural and urban areas of the State, and offer innovative approaches to improving achievement among educationally disadvantaged secondary school pupils.

Educationally disadvantaged pupils (as defined under the ECIA chapter 1 basic grant program) attending secondary schools are eligible to be served under chapter 3. No more than 25 percent of each LEA's grant may be used for non-instructional services. Activities for which LEAs may use chapter 3 grants include remedial eductional and related services, staff training, guidance and counseling, use of secondary school pupils as peer tutors, or use of community resources. When applying for assistance under this chapter, LEAs shall assure the State education agency that programs will be conducted in secondary school with the greatest need for assistance; that parents of eligible pupils will be involved in the development and implementation of programs; that chapter 3 programs will be coordinated with other Federal and private sector programs for educationally disadvantaged secondary school pupils; and that eligible pupils most in need of assistance will be served, including handicapped and limited-English proficient pupils.

The fiscal accountability requirements (maintenance of effort, Federal aid to be supplementary, etc.) of chapter 1, ECIA, will also apply to chapter 3 programs. Both State and participating local educational agencies must conduct evaluations of chapter 3 programs, in accordance with national evaluation standards. LEAs must assess the needs of pupils who remain in chapter 3 programs after 3 years of participation. If the aggregage achievement level of pupils participating in a chapter 3 project in a school declines for 2 consecutive years, the school must submit a plan for improvement to the LEA; if achievement declines for 2 additional years, the State education agency shall provide technical assistance for program improvement.

The authorization of appropriations is $400 million for FY 1988.

Title III, Part B—Improvement of chapter 1 programs

This part amends the allocation formula in the eixting program of education for disadvantaged children.

Small State minimum (sec. 321)

A State minimum grant provision is added to the allocation formula for basic grants to LEAs under chapter 1, Education Consolidation and Improvement Act, subject to certain limitations. The minimum grant level is 0.5 percent of appropriations, but this would apply only when total appropriations for ECIA chapter 1

and chapter 3 equal or exceed $4.2 billion. In addition, total basic grants could not increase by more than 25 percent above the FY 1987 (program year 1987-88) level as a result of the State minimum provision.

Title IV—Educational partnerships

This title authorizes a new program of discretionary grants to encourage educational partnerships between public schools and the private sector.

Short title (sec. 401)

Title IV is entitled the "Educational Partnerships Act of 1987".

Statement of purpose (sec. 402)

The purpose is to encourage educational partnerships between public schools and the private sector to improve education.

Definitions (sec. 403)

Selected terms used in this title are defined.

Programs authorized (sec. 404)

Grants to educational partnerships are authorized to meet the Federal share of model cooperative programs. The annual authorization is $20 millin for FY 1988 through FY 1993. Twenty-five percent of the annual appropriation is to be used for gifted and talented children programs (authorized under Section 405).

Authorized activities (sec. 405)

Eligible partnerships may use these grants for activities bringing the private sector resources of communities to bear on the needs of their local public schools. Such activities may serve educationally disadvantaged as well as gifted and talented students; enrich secondary school students' career awareness; provide foreign language instruction; train staff to facilitate public school/private sector cooperation; support academic internship programs; and provide tutoring by private sector personnel.

Application (sec. 406)

Applications are described. Such applications are to be submitted by educational partnerships. This section permits a consortium of educational partnerships to file a joint application.

Approval of applications (sec. 407)

The Secretary will approve applications according to uniform criteria.

Payments; Federal share; limitation (sec. 408)

The Federal share of the activities for each approved application is to be 90 percent in the first year, 75 percent in the second, 50 percent in the third, and 33⅓ percent in the fourth. Grants to partnerships in any single State may not exceed 15 percent of the annual appropriation or $1 million, whichever is greater.

Evaluation and dissemination (sec. 409)

The Secretary is required to evaluate annually these grants and to disseminate information to State and local educational agencies and eligible partnerships.

Title V—Training technology transfer

This title establishes an Office of Training Technology Transfer within the Department of Education to facilitate the transfer of technology from Federal agencies to State and local governments and the private sector.

Short title (sec. 501)

Title V is entitled the "Training Technology Transfer Act of 1987."

Findings and purpose (sec. 502)

This section delineates Congressional findings and states that the purpose of the title is to facilitate the transfer of technology from Federal agencies to the private sector and State and local governments, for the support of education, training, and retraining of industrial workers, especially in small businesses.

Definitions (sec. 503)

Selected terms used in this title are defined.

Office of Training Technology Transfer (sec. 504)

An Office of Training Technology Transfer is established in the Department of Education. Each Federal agency using training technology is to designate a Training Technology Transfer Officer. Such officer is to supply information for the inventory required by Section 505, and facilitate interaction between prospective users of the technology and agency personnel.

Functions of the Office (sec. 505)

The Director of the Office of Training Technology Transfer is to maintain an inventory of all knowledge and training technology developed or scheduled for development by Federal agencies or under their supervision. Such inventory is to be disseminated regularly and widely, along with detailed information on how to secure copies of such technology. The Director is to advise and consult with any prospective public interest user at no cost. The Director may also enter into contracts to convert training technology. The Director may sell training technology to commercial users on a cost reimbursable basis, or waive or reduce such purchase prices under specified circumstances. The Director is to study the effectiveness of the transfers and conversion supported under the title.

Administrative provisions (sec. 506)

This section describes the general authority of the Director of the Office of Training Technology Transfer. The Director is to enter into an interagency agreement with the National Technical Information Service of the Department of Commerce to compile and dis-

seminate the training technology inventory as specified in Section 505.

Training Technology Transfer Advisory Board (sec. 507)

A Training Technology Transfer Advisory Board is established. The Board is to advise and consult with the Director of the Office of Training Technology Transfer, monitor and review the performance of the Office and the title, suggest new applications for technology transfer, recommend legislation and revised regulations, and issue reports to the Secretary of Education and the Congress.

Authorization of appropriations (sec. 508)

The authorization of appropriations is $5 million for FY 1988 and such sums as may be necessary for each succeeding fiscal year.

Title VI—Higher education

This title includes two parts that amend the Higher Education Act of 1965, one to authorize centers for international business education, the other to amend the funding requirements of the Post-Baccalaureate Achievement Program.

Title VI, Part A—International Business Education Program

This part amends title VI of the Higher Education Act of 1965 to authorize centers for international business education.

Centers for International Business Education authorized (sec. 601)

A new provision is added to title VI of the Higher Education Act (HEA, International Education Programs), authorizing assistance for Centers for International Business Education. These Centers, that are to be operated by institutions of higher education, will provide instruction, research, and serve as regional resources to businesses on international trade, including study of the languages and culture of United States trading partner nations. The Centers may offer interdisciplinary instructional and research programs integrating foreign language and international studies with business and other professional curricula, including overseas internship programs, under the guidance of a Center Advisory Council. Grants are generally to be made for a minimum 3-year period, and the Federal share of costs is to be up to 90 percent for the first year, 70 percent for the second, and 50 percent for the third and succeeding years.

Authorization of appropriations (sec. 602)

The authorization of appropriations is $10 million annually for FY 1988 through FY 1991.

Conforming amendment (sec. 603)

A technical amendment is made to title VI of the Higher Education Act.

Title VI, Part B—Post-Baccalaureate Achievement Program

This part amends the funding requirements of the Post-Baccalaureate Achievement Program of the Higher Education Act.

Ronald E. McNair Post-Baccalaureate Achievement Program (sec. 611)

This section amends the Post-Baccalaureate Achievement Program authorized by title IV of the Higher Education Act. The amendment raises the amount of funding that can be allocated to projects under this program to $5 million annually, if the annual appropriation for the Special Programs for Students from Disadvantaged Backgrounds (so-called Trio Programs) equals or exceeds $176 million.

Title VII—Vocational Education

This title amends two parts of the Carl D. Perkins Vocational Education Act, and increases the authorization of appropriations for those parts.

Authorization of appropriations (sec. 701)

The authorization of appropriations is increased by $15 million annually for FY 1988 and FY 1989 for Adult Training, Retraining, and Employment Development programs under part C of title III of the Perkins Act. The authorization of appropriations is increased by $10 million annually for FY 1988 and FY 1989 for Industry-Education Partnership for Training in High-Technology Education under part E of title III of the Perkins Act. Special consideration must be given to persons who have attained the age of 55 years.

Adult Retraining Program authorized (sec. 702)

Part C of title III of the Perkins Act is amended to authorize the use of funds for vocational training and retraining to assist persons to enter into, or advance in, high technology occupations, or to meet other technological needs. Special consideration must be given to persons who have attained the age of 55 years.

Industry-Education Partnership Program authorized (sec. 703)

Part E of title III of the Perkins Act is amended to authorize the use of funds for vocational education to assist persons to enter into, or advance in, high technology occupations, or to meet other technological needs. Special consideration must be given to persons who have attained the age of 55 years.

Title VIII—National Center for Research and Development in the Education of Gifted and Talented Children and Youth

This title establishes a national research and development center for the education of gifted and talented children and youth.

Establishment of Center (sec. 801)

The Secretary of Education is required to establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth. The Secretary must appoint a Director for the Center, and an advisory committee of at least 5 non-Federal employees to advise the Secretary on the administration of this title. Through the Center, the Secretary must conduct research on identifying and teaching the gifted and talented, and program evaluations and collection of information on the education

of the gifted and talented. The authorization of appropriations is $3 million annually for FY 1988 through FY 1993.

Title IX—Assistance to address school dropout problems

This title authorizes assistance to schools, for 3 years, to reduce the number of dropouts.

Short title (sec. 901)

Title IX is entitled the "School Dropout Demonstration Assistance Act of 1987".

Purpose (sec. 902)

The purpose is to reduce the number of children who do not complete their elementary and secondary education, and to assist programs that prevent students from dropping out of school, encourage dropouts to return to school, identify at-risk students, and collect information on dropouts.

Authorization of appropriations (sec. 903)

The authorization of appropriations is $50 million for FY 1988, and such sums as may be necessary for FY 1989 and FY 1990.

Grants to local educational agencies (sec. 904)

Funds available under this title must be distributed by the Secretary so that 45 percent must be allotted to local educational agencies with enrollments of 50,000 or more elementary and secondary students, 15 percent to agencies with enrollments of at least 20,000 but less than 50,000 students, 35 percent to agencies with less than 20,000 students (with not less than 20 percent of this amount to agencies with less than 2,000 students), and 5 percent for community-based organizations. Of the grants allotted to local educational agencies, 25 percent of the funds in each category must be allotted to "educational partnerships," as defined in this title. The Federal share is 90 percent in the first year of a grant, 70 percent in the second year, and 50 percent in the third year; the "non-Federal" share may be from any source other than this title, except that not more than 10 percent may be from other Federal sources.

Application (sec. 905)

Applicants are encouraged to apply for three-year grants. Applications are to document the number of dropouts that were enrolled during the past 5 years. The application must include a plan for a dropout information reporting system, and specify the various activities that will be undertaken to carry out the purpose of this title. The Secretary must give priority to applicants that: (a) demonstrate the replication or expansion of successful programs conducted elsewhere; (b) reflect high numbers or percentages of school dropouts; (c) emphasize early intervention programs; and (d) involve significant parental participation in the design and conduct of the program. Sufficient progress must be shown during the first year of a grant in order to obtain funding during the second and third years.

Authorized activities (sec. 906)

Grants must be used to carry out the plans set forth in the application. Additional activities are also authorized, including testing activities; work study programs; use of community resources; program evaluation; student motivation activities; training of school staff; studies of the relation between dropouts and drugs, youth gangs, handicapping conditions, and gifted and talented students; and educational telecommunications and technology. Additional activities are also authorized for educational partnerships that receive grants under this title.

Distribution of assistance; limitation on costs (sec. 907)

To the extent practicable, the Secretary must assure that (a) grants are distributed on an equitable geographic basis, (b) not less than 30 percent of the funds are used for dropout prevention activities, and (c) not less than 30 percent of the funds are used for programs related to dropouts returning to school. Not more than 10 percent of any grant may be used for administrative costs.

General provisions (sec. 908)

Within 60 days of enactment, the Secretary shall, by regulation, establish a standard definition of a school dropout. Local educational agencies must use funds received under this title to supplement funds available from non-Federal sources for dropout programs. Recipients must cooperate with the coordination and dissemination requirements of the National Diffusion Network.

National school dropout study (sec. 909)

Through the Office of Education Research and Improvement, the Secretary is to conduct a one-year study on the nature and extent of the school dropout problem, including the definition of a school dropout, the reasons why children drop out of school, a dropout information system, potential dropout reporting requirements, characteristics of children at-risk, successful dropout programs, the connection between dropping out and the inability to read adequately, and recommendations for action at various levels of government. To fund this study, the Secretary shall use no more than $500,000 from the FY 1990 appropriation for this title.

Definitions (sec. 910)

Selected terms used in this title are defined.

Termination of program (sec. 911)

The provisions of title IX shall terminate on the date 1 year after funds have been appropriated for the third fiscal year of title IX.

Title X—Literacy assistance

This title authorizes three literacy programs.

Title X, Part A—Literacy Corps assistance

This part authorizes funding, for 2 years maximum, for a literacy corps.

Short title (sec. 1001)

Title X, Part A is entitled the "Literacy Corps Assistance Act of 1987".

Purpose (sec. 1002)

The purpose is to assist institutions of higher education to promote literacy corps programs in their own communities.

Literacy Corps Program (sec. 1003)

The Secretary is authorized to make grants, not to exceed 2 years, for literacy corps programs.

Uses of funds (sec. 1004)

Funds may be used for grants to institutions for program costs and for stipends for student coordinators. Funds may also be used for technical assistance, collection and dissemination of information, and program evaluation. Grants to institutions may not exceed $50,000, of which no more than $25,000 may be spent by the institution in the first year.

Applications (sec. 1005)

An institution applying for a grant must provide assurances in its application that it has established a course for academic credit that is designed to combine the training of undergraduate students in various academic departments with experience as tutors. As a requirement for credit, the student must perform at least 6 hours of voluntary, uncompensated service each week as an educational or literacy tutor in a public community agency. Prior to application, the institution must have participated in community service activities under the work-study program of the Higher Education Act of 1965 or in the conduct of a cooperative education program. An institution may apply to the Secretary for a waiver from the participation requirement.

Technical assistance and coordination contract (sec. 1006)

The Secretary may directly, or through grants or contracts, provide technical assistance, collect and disseminate information, and evaluate programs.

Authorization of appropriations (sec. 1007)

The authorization of appropriations for this part is $10 million for FY 1988 and $0 million for any fiscal year thereafter, except that no funds are authorized for more than two fiscal years, and no funds are authorized in any fiscal year unless the appropriation for the Adult Education Act is at least $110 million for that fiscal year.

Definitions (sec. 1008)

Selected terms used in this part are defined.

Title X, Part B—Workplace literacy assistance

This part authorizes a new program, for 1 year only, as part of the Adult Education Act.

Workplace literacy partnerships grants (sec. 1021)

This section establishes a new education partnerships for workplace literacy program, through an amendment to the Adult Education Act. The Secretary of Education is authorized to make demonstration grants for exemplary programs that teach literacy skills needed in the workplace. Grants may be used to pay for (a) 50 percent of the cost of programs and (b) administrative costs incurred by educational agencies in establishing a program. Partnerships consist of (a) business, industry, labor unions, or private industry councils, and (b) State or local education agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations. Programs must be designed to improve the productivity of the workforce, including literacy and other basic skills, completion of high school (or its equivalent), upgrading the skills of workers, improving adult workers' competency, or support services. Application requirements are specified. The authorization of appropriations for this program is $4 million for FY 1988 (a single year authorization).

Title X, Part C—Instructional programs in technology

This part authorizes a new program, for 1 year only, for demonstration grants for technological literacy.

Purpose (sec. 1031)

The purpose of this part is to assist educational agencies and institutions to develop a technologically literate population.

Technology Education Demonstration Program (sec. 1032)

The Secretary of Education is required to establish not more than 10 model demonstration programs in technology education for secondary schools, subject to the availability of appropriations. A variety of activities is authorized for the use of funds. Grants may be used to pay for up to 65 percent of the cost of a program, and not more than 10 percent of the cost may come from contributions from the private sector. Application requirements are specified. The Secretary must disseminate the results of the demonstration programs. The authorization of appropriations is $2 million for FY 1988 (a single year authorization).

Title X, Part D—General provisions

Limitation on the availability of funds (sec. 1051)

Funds are not authorized to be appropriated in any fiscal year for this title unless the appropriation for the Adult Education Act (other than for Workplace Literacy Partnerships Grants) is at least $110 million for that fiscal year.

Termination of part A (sec. 1052)

The provisions of part A (Literacy Corps Assistance) shall terminate on the date that is one year aft · the date that funds have been appropriated for the second fiscal ear for part A.

VIII. CHANGES IN EXISTING LAW

In compliance with rule XXVI, paragraph 12, of the Standing Rules of the Senate, this report does not contain a comparative print of the amendments contained herein and the statutes or parts thereof to be amended because, in the opinion of the committee, it is necessary to dispense with this requirement in order to expedite the business of the Senate.

IX. MINORITY VIEWS OF SENATOR DAN QUAYLE

I voted against S. 406 during consideration of this bill by the Labor and Human Resources Committee because I feel that it is an unwarranted expense of funds and will do little to improve our Nation's competitiveness in the world economy.

While I certainly do not quibble with some of the components included in S. 406, such as the reauthorization of the Education for Economic Security Act and the extension of the Chapter 1 program to secondary school students, I do question whether these programs will have the desired affect of improving our nation's economic standing and whether the trade bill is the appropriate legislation on which to add the provisions of S. 406.

Many of the programs in S. 406 amend programs that the Committee will be considering over the next few months for their scheduled reauthorizations. I do not believe that there are any emergency programs S. 406 that could not have waited for the normal course of the reauthorizations to be considered. In particular, I question the need to create two new programs under the Adult Education Act—the Literacy Corps program, which is extremely duplicative of new provisions the Congress contained in the College Work/Study program last year, and the Workplace Literacy program. I believe those programs should have been considered in a more thoughtful manner, with hearings, and in conjunction with the reauthorization of the Adult Education Act.

Finally, I have not been able to reconcile the belief that higher authorizations for programs automatically mean better programs or more effective programs, or even that they will result in higher appropriations levels. With S. 406, we have told the appropriations committee to increase funding for almost any program that may have the smallest connection to competitiveness. I see no reason for the appropriations to do this, especially in light of the budget deficit we are still facing.

For these reasons, and because of the overall cost of the package, I voted against S. 406 in Committee.

DAN QUAYLE.

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